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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/766,656	01/27/2004	Robert J. Wright	IGA-0180-US	3976

65449 7590 08/25/2009

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EXAMINER	
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ART UNIT	PAPER NUMBER
3714	

MAIL DATE	DELIVERY MODE
08/25/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/766,656	WRIGHT, ROBERT J.	
	Examiner	Art Unit	
	Paul A. D'Agostino	3714	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *29 January 2009*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,3-25,35-71,74 and 75* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1,3-25,35-71,74 and 75* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *27 January 2004* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

This responds to Applicant's Arguments/Remarks filed 01/29/2009. Claims 2, 26-34, and 72-73 have been cancelled. Claims 1, 3-25, 35-71, and 74-75 are now pending in the application.

Response to Reply Brief

1. In view of the Reply Brief filed on 1/29/2009, PROSECUTION IS HEREBY REOPENED. The options available to Applicant are set forth below. To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) initiate a new appeal by filing a notice of appeal under 37 CFR 41.31 followed by an appeal brief under 37 CFR 41.37. The previously paid notice of appeal fee and appeal brief fee can be applied to the new appeal. If, however, the appeal fees set forth in 37 CFR 41.20 have been increased since they were previously paid, then appellant must pay the difference between the increased fees and the amount previously paid.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing the Office Action.

2. New prior art is applied to Applicant's claimed invention but Examiner wishes to point out that giving the claims the broadest reasonable interpretation, Applicant is claiming to have invented indemnifying entities that sell wagering games. In this light, the business of underwriting by providers (insurers, banks, other casinos) is known.

Further, the terms of underwriting are known and obvious as well as the legal jurisdictions and methods of payment and claims settlement and funds distribution. Below is a rejection of the claims for Applicant's consideration.

Claim Objections

3. Claims 10-12, 22-24, 45, 53, 60-62, are objected to because of the following informalities: These claims contain "can be" which Examiner reasonably interprets as akin to a system and mthod being "capable of". It has been held that the recitation that an element is "capable of" performing a function is not a positive limitation but only requires the ability to so perform. It does not constitute a limitation in any patentable sense. In re Hutchinson, 69 USPQ 138 (CCPA 1946). Examiner recommends amending the claims to replace "can be" with "is" or words to that effect or the claim will be treat as statements of intended use. To advance prosecution, Examiner will interpret the claims as positive limitations and apply art accordingly. Appropriate correction is required.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 53, 64, and 74 are rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter because these are method or process claims that do not transform underlying subject matter (such as an article or materials) to a different state

or thing, nor are they tied to another statutory class (such as a particular machine). See Diamond v. Diehr, 450 U.S. 175, 184 (1981) (quoting Benson, 409 U.S. at 70); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978) (citing Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)). See also In re Comiskey, 499 F.3d 1365, 1376 (Fed. Cir. 2007) (request for rehearing en banc pending). Claims 1, 53, 64, and 74 recite the practice of securing pre-lottery underwriting protection. There is no transformation to a different state or thing involved in the securing of insurance. Arguably, the state of being an uninsured lottery to an insured one is a shift of risk but the underlying lottery - a game of chance awarding a prize to a ticket holder – is not changed. Further, there is no tie to another statutory class such as a particular machine. The method does not require any apparatus but for the exchange of considerations to shift the risk. In contractual terms, the offer of a lottery guarantee in exchange for a premium under specified conditions can be oral. Thus, Claims 1, 53, 64, and 74 are directed to non-statutory subject matter. Appropriate attention is required.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 5, 17, 56, and 70 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 5, 17, 56, and 70 recite wherein the prize is secondary. Examiner reasonably does not known what this is

meant to communicate. For example, is the guarantee established regardless of a specific prize thereby rendering the prize secondary? Or, is the guarantee of payment a guarantee to cover an array of prizes, one being a primary prize another being a secondary prize. To advance prosecution, Claims 5, 17, 56, and 70 are interpreted as being that secondary refers to a prize in addition to a primary jackpot prize. Appropriate attention is required.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

8. Claims 1 and 3-25 are rejected under 35 U.S.C. 102(a) as being anticipated by Patel.com article "Lottery firms seek cover for jackpots" by Freny Patel dated July 4, 2003 (Patel).

In Reference to Claims 1, 3, and 14-15

Patel discloses wherein an on-line lottery business is becoming a local industry that "want[s] to take insurance covers against jackpot prizes" (Page 1 Lines 3-4) wherein probability games ("online lottery" Page 1 Line 1; and "gambling games in casinos" Page 2 Lines 1-2) have their winnings insured (Title), the system and method of assuming risk for a lottery, comprising:

{providing} a guarantee of payment of a {jackpot} prize in a lottery ("insurance companies are equally eager to write this lottery business…quotes offered" Page 1 Lines 3-5 and "whereby winnings will be paid by the insurer and not by them" Page 1 Line 9; and "jackpot" (Page 1 Line 12), wherein the guarantee is in exchange for a stipulation of a percentage of {future} ticket sales revenue in the lottery ("Lottery insurance, better known as prize indemnity insurance, essentially means that a company pays a premium to an insurer, based on the number of tickets sold" Page 1 Lines 10-11), wherein the providing the guarantee occurs prior to the ticket sales revenue in the lottery (Patel implicitly discloses that policies are in effect prior to ticket sales revenue since "winnings will be paid by the insurer" (Page 1 Line 9) in response to the acceptance of a "quotation" by a corporate (Page 1 Line 19)); and

{receiving} the percentage of the ticket sales in the lottery ("company pays a premium to an insurer (Page 1 Line 10).

In Reference to Claims 4-5 and 16-17

Patel discloses portions of jackpots and secondary prizes ("If someone hits the jackpot … 60% of the turnover goes for prizes" (Page 1 Line 13) indicating that the lottery has a jackpot as well as lesser awards to pay out if won).

In Reference to Claims 6-7 and 18-19

Patel discloses that the payment of the prize will be paid even if ticket sales revenue {percentage of ticket sales revenue} is not greater than the payment of the

prize (Patel discloses that winnings will be paid when the cover is paid (Page 1 Lines 19-28)...despite low sales of tickets in the country... and for the cover to be[come] economically viable, "a corporate needs to find a break even in the sale of tickets" (Page 1 Line 29)).

In Reference to Claims 8 and 20

Patel discloses the guarantee is effectuated in a jurisdiction ("prizes are shared among ...the states" (Page 1 Line 13) indicative of compliance to state taxes and fees to be paid on a jurisdictional basis).

In Reference to Claims 9 and 21

Patel discloses the guarantee assumes the risk of the lottery ("winnings will be paid by the insurer" (Page 1 Line 9) indicating the insurer has all the risk; also "Insurers want to ascertain the system: how authentic, fool-proof and risk-free it is" (Page 1 Line 26)).

In Reference to Claims 10 and 22

Patel discloses wherein the lottery can be played on a video lottery terminal ("online lottery" (Page 1 Line 2) and "gaming games in casinos" (Page 2 Lines 1-2)).

In Reference to Claims 11 and 23

Patel discloses wherein the lottery can be played on a computing device operably connected to the Internet ("online lottery" (Page 1 Line 2) and "gaming games

in casinos" (Page 2 Lines 1-2)).

In Reference to Claims 12 and 24

Patel discloses a lottery ticket can be purchased at a point of sale location (the point of sale is at the terminal of the purchaser who is online (Page 1 Line 2) or at the casino (Page 2 Lines 1-2).

In Reference to Claims 13 and 25

Patel discloses obtaining insurance ("take insurance" Page 1 Line 3).

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

10. The factual inquiries set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

11. Claims 35-71 and 74-75 are rejected under 35 U.S.C. 103(a) as being

unpatentable over Patel in view of U.S. Patent Pub. No. 2004/0185931 to Lowell et al. (Lowell) and U.S. Patent No. 5,855,514 to Kamille (Kamille).

Examiner reasonably believes Claims 35-44 and 45-52 are meant to provide a system which automates the process of acquiring underwriting before a game (lottery or game of chance) begins. Separately, Kamille also teaches that a player can purchase player insurance.

In Reference to Claims 35-39

Patel discloses a system substantially equivalent to Applicant's claimed invention. Patel further discloses the acquisition of insurance (underwriting) coverage. However, Patel is silent on a guarantee transmission module that transmits a guarantee through a network, a guarantee reception module that receives the guarantee through the network; a lottery creation module; and an instruction to a point of sale location over a LAN, WAN, and Internet. Claims 35 and 36 recite wherein a player can purchase lottery tickets and wherein the instruction allows the point of sale location to sell a ticket for the lottery. These are statements of intended use but to advance prosecution Examiner has mapped the art to show how the structures in the prior art perform the recited intended uses.

Patel discloses the claimed invention except for the particulars of guarantee transmission and reception modules in communication over a network to an underwriter. It would have been obvious to one of ordinary skill in the art at the time the invention was made to conduct business over the online network of Patel, since it has been held

broadly providing a mechanical or automatic means to replace manual activity which has accomplished the same result involves only routine skill in the art. In re Venner, 120 USPQ 192.

Lowell discloses an enhanced gaming system and method (Title and Figs. 1 and 5) wherein the system is in communication with an underwriter [0076] to automatically provide invoices on a weekly, monthly or other time increment to include "date of sale, quantity of eTabs sold, cost per eTab sold, serial number of each eTab deal and the name and address of the purchaser" [0076] with the ability to transmit and receive data over system of Figs. 1 and 18 wherein information is exchanged with "Manufacturer or Implementor (Underwriter) Central Office" via Com 160 of Fig. 1 [0211-0214] in order to "properly bill the gaming system operator" [0076] over the "network" 110 of Fig. 1.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to employ the system and method to interface with an underwriter over a network as taught by Lowell into the online network and teachings of Patel to acquire underwriter protection in order to automatically have a system which ensure proper billing of the system operator.

Kamille teaches of the creation of a lottery game (Fig. 1) and method (Col. 6 Lines 21-42) for use in a point of sale terminal ("point of sale" Col. 11 Lines 48) with insured winning (Title) wherein games are played over a network (LAN, WAN, Internet Col. 5 Lines 35-45) comprising slot or game machines (Col. 5 Lines 32-40) with prize amounts that can be underwritten (Col. 7 Lines 10-16). Kamille also discloses that insurance can be purchased by a player (Col. 10 Lines 66-67 and Col. 11 Lines 1-25)

such that "the insurance may be purchased at the time of purchasing the game piece". Kamille further discloses an instruction wherein the point of sale terminal a) dispenses the lottery tickets and b) also accommodates the sale and activation of player insurance upon payment and before the game is played (Col. 11 Lines 10-37). Upon game completion, a redemption process verifies that insurance was purchased before evaluating the game piece and settling with the player (Col. 11 Lines 38-64). Kamille provides the structure to carry out Applicant's intended use (See In re Schreiber) and method in order to "ensure that a player who pays insurance gets proper credit for the insurance" (Col. 11 Lines 10-15).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to a) use the automated system of Kamille to automatically secure the underwriting of Patel as modified by Lowell (which reasonably can be the purchase of coverage online or the checking a of status flag in a database that underwriting is operational) and b) to control the point of sale terminal to allow for the sale of game pieces once underwriting was acquired in the same way game pieces are only dispensed once insurance coverage has been paid for and verified. Kamille provides this system and method in order to ensure that a player who pays insurance gets proper credit for the insurance.

In Reference to Claims 40-41

See rejection of Claims 1, 14, and 35 and wherein the operation of a risk module is performed wherein the underwriters of Patel cover the winnings and payment is sent.

This process is made more explicit as an automated function in light of the data transferred to an underwriter as taught by Lowell over the network and gaming interface as taught by Kamille.

In Reference to Claims 42-44

See rejection of Claims 1, 14, and 35 and wherein the operation of a stipulation {transmission/reception} module is performed wherein the underwriters of Patel receive payment and respond by effecting in return activation of a policy and communication of current insurance coverage. This process is made more explicit as an automated function in light of the data transferred to an underwriter as taught by Lowell over the network and gaming interface as taught by Kamille.

In Reference to Claims 45-52

See rejection of Claims 1-13, 14-25, and 35-44 and wherein Lowell discloses creation of both games {which follow a set of game rules} of skill and games of chance [0047], for example, "poker", "keno", "bingo" [0071] and wherein the game creation module is housed in the gaming machine (COM Unit 160 "can be used to distribute and play games of chance" 0109 such that the game creation can reasonably be interpreted as being created on a server and distributed to the games in the network of b) created within the game machine itself. Either way, the system accommodates both as it is know that games can reside within game machine or exist on a server in a network and that it has been held that to make something integral (it has been held that forming in

one piece an article which has formerly been formed in two pieces and put together involves only routine skill in the art. Howard v. Detroit Stove Works, 150 U.S. 164 (1893) or to make something separable (it has been held that constructing a formerly integral structure in various elements involves only routine skill in the art. Nerwin v. Erlichman, 168 USPQ 177, 179) requires only routine skill in the art.

In Reference to Claims 53-63

See rejection of Claims 1-13, 14-25, 35-44, and 45-52 and wherein a probabilistic lottery system is disclosed by Patel and Lowell. Further, Examiner takes Official Notice that lotteries are advertised in order to generate sufficient sales and profit.

In Reference to Claims 64-70

See rejection of Claims 1-13 and wherein the prize is offered at a minimum predetermined amount and wherein the prize exceeds the minimum predetermined amount (Lowell discloses a minimum predetermined amount (Lowell discloses known pull tab lotteries wherein the prizes are set at a predetermined amount [0042]; see also [0073] and whereby the prize exceeds the predetermined amount if sale of the tickets exceeds a threshold (Lowell also discloses known progressive games [0042]).

In Reference to Claim 71 and 74-75

See rejection of Claims 1, 14, 35, 45, 53, and 64.

Response to Arguments

12. Applicant's arguments with respect to the claims have been considered but are moot in view of the new ground(s) of rejection. Examiner has provided a new basis for rejection that centers on the acquisition of a guarantee of insurance prior to ticket sales for a casino, lottery, or gaming entity.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure is provided in the Notice of References Cited.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Paul A. D'Agostino whose telephone number is (571)270-1992. The examiner can normally be reached on Monday - Friday, 7:30 a.m. - 5:00 p.m..

15. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Dmitry Suhol can be reached on (571) 272-4430. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

16. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/John M Hotaling II/
Supervisory Patent Examiner, Art Unit 3714

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